



Air Pollution Control Board

San Diego County Air Pollution Control District

AGENDA ITEM

Governing Body

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: June 27, 2012

AP01

TO: Air Pollution Control Board

SUBJECT: NOTICED PUBLIC HEARING – ADOPTION OF AMENDMENTS TO RULE 67.11 – WOOD PRODUCTS COATING OPERATIONS, AND REPEAL OF RULE 67.11.1 – LARGE COATING OPERATIONS FOR WOOD PRODUCTS (DISTRICT: All)

SUMMARY:

Overview

The Air Pollution Control Board (Board) is requested to adopt proposed amendments to Rule 67.11, to tighten limits on the amount of volatile organic compounds (VOCs) that can be present in coatings and cleaning solvents used in the finishing of new wood products. Affected industries are primarily cabinet, furniture, and window and door manufacturers. Residential non-commercial operations are not affected.

The application of wood coatings and cleaning solvents results in emissions of VOCs, which contribute to the formation of ground-level ozone. Despite substantial air quality improvement over the past two decades, San Diego County does not yet attain all state and federal air quality standards for ozone. Consequently, rules to control VOC emissions are required to be updated to reflect the current state of control technology.

Rule 67.11 was last updated in 2002. Since then, the performance of lower-emitting coatings and cleaning materials used in the finishing of new wood products has improved considerably. The proposed tighter VOC limits are already in place throughout much of California, and compliant materials are readily available for similar prices as conventional materials. If adopted, the amendments will not take effect for 12 months, allowing time for affected businesses to use and deplete their inventories of non-compliant materials and transition to the new standards. Refinish coatings, such as those used to restore antiques or other existing wood products, are not affected.

The Board is also requested to repeal outdated Rule 67.11.1, which was adopted in 2002 and applies only to large-scale wood coating operations. The Rule 67.11.1 requirements are duplicative of existing Rule 67.11 standards that took effect in 2005

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for both larger and smaller operations. Consequently, Rule 67.11.1 is no longer needed.

Recommendation(s)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of amendments to Rule 67.11 and repeal of Rule 67.11.1 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the resolution entitled RESOLUTION AMENDING RULE 67.11 – WOOD PRODUCTS COATING OPERATIONS, AND REPEALING RULE 67.11.1 – LARGE COATING OPERATIONS FOR WOOD PRODUCTS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT. |

Fiscal Impact

Funds for this request are included in the Fiscal Year 2011-12 Operational Plan in the Air Pollution Control District (District). If adopted, the proposed amendments to Rule 67.11 will be implemented and enforced with existing District staff and will not have a significant fiscal impact on the District.

Business Impact Statement

Adopting the proposed amendments to Rule 67.11 will not significantly impact the business community. The proposed wood coatings and cleaning materials with a lower content of VOCs are widely available and priced similarly to their conventional counterparts. Many wood coating operations already comply with the proposed amendments due to the market availability of compliant materials.

If adopted, the amendments will not take effect for 12 months, thus allowing time for affected businesses to use and deplete their inventories of non-compliant materials and transition to the new standards. Furthermore, the amendments allow each coating operation to use up to 20 gallons per year of non-compliant coatings. This allowance addresses future situations where a coating with a higher content of VOCs may be preferred to achieve a desired finish.

District staff conducted substantial outreach to affected facilities during development of the proposed rule amendments, including conducting a public workshop and

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participating in an industry symposium, and is not aware of any significant concerns with the proposal. If the rule amendments are adopted by the Board, District staff will issue an advisory to further inform potentially affected sources of the new requirements and their future effective date.

Advisory Board Statement

At its meeting on November 1, 2011, with all members present, the Air Pollution Control District Advisory Committee voted unanimously in support of the District's recommendations.

BACKGROUND:

Concentrations of ground-level ozone have been cut nearly in half in San Diego County over the past 25 years even while the region's population and motor vehicle use have substantially grown, clearly showing that air pollution control measures are working. Notwithstanding this air quality improvement, the region does not currently meet all National and State Ambient Air Quality Standards for ozone and therefore is classified as an ozone nonattainment area. National and state laws therefore require the District to periodically update its rules pertaining to emissions of ozone precursors – VOCs and oxides of nitrogen – to reflect the current state of air pollution control technology.

Amendments to Rule 67.11

Existing Rule 67.11 regulates VOC emissions resulting from the coating of wood products and associated cleaning operations. The rule was first adopted in 1989 and last revised in 2002. The primary objectives in amending Rule 67.11 are to ensure ongoing compliance with federal requirements to implement current Reasonably Available Control Technology (RACT) and state requirements to adopt all feasible measures applicable to the wood products coating industry. The proposed amendments reflect the current market availability of coating and cleaning materials with lower VOC content and satisfactory performance. Many air districts throughout California are already implementing the tighter VOC limits for wood coating operations in their regions.

The proposed amendments to Rule 67.11 lower the VOC content limit for five types of coatings applied to new wood products: fillers, high-solid stains, multi-colored coatings, sealers, and low-solids coatings. The proposal does not affect refinish coatings, such as those used to restore antiques or other existing wood products that were previously coated.

The proposed rule amendments also require surface preparation and equipment cleaning materials to comply with a VOC content limit of 25 grams per liter. In addition, the small usage exemption limit for stationary sources will be reduced from 500 gallons to 20 gallons of coatings per consecutive 12 months. These amendments are comparable to existing requirements throughout much of California.

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The proposed rule amendments also update the test methods for determining the VOC content and exempt compounds in coatings and cleaning materials. In addition, the amendments include updated definitions and record keeping requirements.

There are 125 permitted facilities in San Diego County that are currently subject to Rule 67.11, based on data collected at the time of the public workshop on the proposed rule amendments. The total VOC emissions from permitted wood coating operations in the County are approximately 157 tons per year. The rule amendments will reduce VOC emissions from these operations by approximately 19 tons per year, which is a 12% reduction.

If adopted by the Board, amended Rule 67.11 will be submitted through the California Air Resources Board to the U.S. Environmental Protection Agency for approval and inclusion into the State Implementation Plan (SIP).

Repeal of Rule 67.11.1

Rule 67.11.1 was adopted in 2002 to implement federal requirements applying at that time only to large-scale wood coating operations. Specifically, the rule applies to wood coating facilities that emit 25 tons or more of VOCs per year. There are currently no such facilities in San Diego County.

At the time of its adoption in 2002, Rule 67.11.1 specified lower federal VOC limits (compared to Rule 67.11) for large wood coating operations. However, in 2005 those same lower VOC limits took effect for all permitted operations (regardless of size) pursuant to Rule 67.11. Consequently, Rule 67.11.1 is now redundant and unnecessary. Furthermore, Rule 67.11.1 will become obsolete upon adoption of the proposed amendments to Rule 67.11.

The requested action to repeal Rule 67.11.1 will have no impact on sources or emissions. If repealed, Rule 67.11.1 will be requested for removal from the SIP.

Socioeconomic Impact Assessment

Section 40728.5 of the State Health and Safety Code requires the District to assess the socioeconomic impacts when adopting, amending, or repealing a rule that will significantly affect air quality or emission limitations. The assessment must include an evaluation of small business impacts. The proposed amendments to Rule 67.11 contain new, lower VOC emission limitations for wood coating and cleaning materials used in wood coating operations. Accordingly, a Socioeconomic Impact Assessment has been prepared (Attachment B), which shows that the rule amendments will not have significant economic impact on the affected industry, including small businesses.

Environmental Statement

The amendment of Rule 67.11 and repeal of Rule 67.11.1 is exempt from the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308,

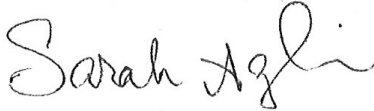
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as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment. In this case, this action is being taken in response to federal and state requirements to reduce emissions of VOCs in order to achieve ambient air quality standards. Additionally, this action is also exempt pursuant to California Code of Regulations Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment. Many affected facilities already comply with the proposed requirements and compliant materials are widely available and in use.

Linkage to the County of San Diego Strategic Plan

Today's proposed action supports the Environment Strategic Initiative in the County of San Diego's 2011-2016 Strategic Plan with an objective to cost-effectively protect air quality. The proposed amendments to Rule 67.11 will codify the use of wood coating materials with lower emissions of VOCs without negatively impacting the local business community. The rule balances air quality preservation and economic development needs.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer



ROBERT J. KARD
Air Pollution Control Officer

ATTACHMENT(S)

Attachment A – RESOLUTION AMENDING RULE 67.11 – WOOD PRODUCTS COATING OPERATIONS, AND REPEALING RULE 67.11.1 – LARGE COATING OPERATIONS FOR WOOD PRODUCTS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

Attachment B – Socioeconomic Impact Analysis

Attachment C – Comparative Analysis

Attachment D – Incremental Cost Effectiveness Analysis

Attachment E – Workshop Report

Attachment F – Rule 67.11 Change Copy

Attachment G – Rule 67.11.1 to be Repealed

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AGENDA ITEM INFORMATION SHEET |

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

September 25, 2002 (APCB #2), Adoption of New Rule 67.11.1 – Large Coating Operations for Wood Products and Amendment of Rule 67.11 – Wood Products Coating Operations.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Air Pollution Control District

OTHER CONCURRENCE(S): N/A

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